



**U.S. Department of Housing and Urban Development**  
Region X – Anchorage Field Office  
**Office of the Field Office Director**  
3000 C Street, Suite 401  
Anchorage, AK 99503  
<http://www.hud.gov/local/index.cfm?state=ak>  
<http://www.hud.gov>  
<http://espanol.hud.gov/index.html>

July 10, 2009

The Honorable Dan Sullivan  
Municipality of Anchorage  
Post Office Box 196650  
Anchorage, AK 99519-6650

Subject: 2008 Program Year Review Letter

Dear Mayor Dan Sullivan:

I am pleased to write you in this first month of your term as Mayor of the Municipality of Anchorage! I look forward to working with you over the coming years in the many partnerships the Municipality and HUD share. Should you or your staff want a briefing from HUD on any ongoing projects or new opportunities, please do not hesitate to contact me.

My correspondence with you today is specifically to relay HUD's annual "Program Year Review Letter", as we do every year. HUD and the Municipality of Anchorage (MOA) continue to work in partnership to meet the housing and community development needs of the people of Anchorage. A major responsibility for HUD in this partnership is to ensure that the MOA carries out its programmatic responsibilities in conformance with contractual agreements, its consolidated plan submission, and in compliance with the applicable statutes and federal regulations. We are also obligated to determine that the MOA has a continuing capacity to implement and operate programs for which HUD assistance is received, primarily, the Community Development Block Grant Program (CDBG), HOME Investment Partnerships Program (HOME), and the Emergency Shelter Grant (ESG).

The Program Year Review Letter serves as the mechanism for HUD to communicate to the MOA and citizens the results of HUD's determinations for the program year. The following is HUD's analysis for the period, January 1, 2008 to December 31, 2008, designated as program year 2008, (PY08). PY08 represents the first year of implementation of the 2008-2012 Housing and Community Development Consolidated Plan (Consolidated Plan) for the Municipality of Anchorage.

### **Community Development Block Grant (CDBG)**

For PY08 the MOA was awarded \$1,869,588 in CDBG funds. The MOA reported the receipt of \$65,121 in program income during the program year. A total of \$2,460,618, which includes prior years CDBG funds, were expended during the year. At the end of the year, the MOA reported a balance of \$1,850,444 in CDBG funds. The expenditure of CDBG funds supported a variety of activities including public facilities, housing rehabilitation, and public service projects. The MOA expended \$280,247 of CDBG funds for administration and planning

costs. Performance measure reporting in PY08 indicate that CDBG funds were used for the purpose of providing decent housing by providing funding for owner occupied housing rehabilitation which addressed the needs of 31 LMI households.

The MOA continues to work on their first economic development activity funded with Section 108/Brownfields Economic Development Initiatives funds. The activity qualified under the Low- Mod Jobs national objective. The MOA report indicates that 19 of the projected 76 jobs have been created. During PY 08, the building remained partially vacant which negatively impacted the building owner's ability to pay debt service on the loan. The MOA is developing strategies to achieve full lease up of the facility.

### **HOME Investment Partnerships Program (HOME)/American Dream Down Payment Initiative (ADDI)**

The MOA was awarded \$970,556 in HOME funds and a total of \$10,298 in ADDI funds for PY08. A total of \$1,395,961, which includes prior years HOME funds, was expended during the year. \$82,788 was expended for administration and planning costs. The MOA used HOME funds to provide assistance for home-ownership, housing rehabilitation, and rental housing development. The MOA also reports progress in working with its four active Community Housing Development Organizations (CHDO's). Performance measure reporting in PY08 indicates that the use of HOME funds improved the affordability of decent housing for 51 low-income families.

### **Emergency Shelter Grant program (ESG)**

For PY08 the MOA was awarded \$83,451 in ESG funds. A total of \$72,925 in ESG funds were expended during the year. The MOA's Department of Health and Human Services (DHHS) administers the essential services and homeless prevention components of ESG. Funding from the operations and maintenance components of the program were awarded to five homeless shelters, and were utilized for utility cost assistance. Overall the ESG funding provided and enhanced suitable living through improved accessibility for 4,471 persons, and created decent housing with improved affordability for 288 persons.

### **Other HUD Programs**

The MOA continued to support the Anchorage Coalition on Homelessness (ACH) and further the implementation of Anchorage's Ten Year Plan on Homelessness, which was adopted by the Municipality of Anchorage's Assembly in January of 2005. The Ten Year Plan on Homelessness also informs the development of the Continuum of Care (CoC) document, which must be included in all applications for HUD's competitive homeless grant programs from both non-profit organizations and the MOA. Anchorage applicants received awards totaling \$2,683,141 in the 2008 CoC competition, including one of a very limited number of Rapid Re-Housing grants awarded nationwide. The MOA is the direct recipient of \$296,714 of CoC funds, and is the coordinator of Anchorage's Homeless Management Information System (HMIS).

## HUD Conclusion

For PY08, the MOA directly received a total of \$3,230,607 in federal funds from HUD for housing and community development activities. This investment in the MOA has resulted in the creation and preservation of affordable housing, benefited existing home owners, first time home buyers, homeless persons, and persons with special needs. In addition, the MOA has made progress towards removing impediments to fair housing. Based on HUD's review of the MOA's performance in the CDBG, HOME/ADDI, and ESG programs during PY08, the following determinations have been made:

The MOA has carried out its program substantially as described in its Consolidated Plan;

The Consolidated Plan submission as implemented complies with the requirements of the *Housing and Community Development Act of 1974*, the *Cranston-Gonzalez National Affordable Housing Act*, and other applicable laws and regulations;

The MOA has the continuing capacity to carry out the approved program in a timely manner.

In accordance with 24 CFR 91.525, this letter will be made available to the public by means of the Anchorage Field Office website at <http://www.hud.gov/alaska>. Availability of the letter will be announced in the "highlights" section of the home page, and an electronic copy will be found in the "library" section of the site that can be accessed by clicking on the link in the left hand column of the home page. If you have any questions, please don't hesitate to contact me at (907) 677-9830.

Sincerely,

/s/

Colleen K. Bickford  
Field Office Director

cc:

Mary Jane Michael, Executive Director  
Office of Economic and Community Development

Diane Ingle, Director  
Department of Health and Human Services